



An Update from the office of Governor Phil Bredesen

December 20, 2006

Governor Bredesen Announces Health Plans For CoverTN Program Creates Health Insurance Access for Working Uninsured

Governor Phil Bredesen announced that two health plans proposed by Blue Cross Blue Shield have been selected to provide affordable health care insurance for low-income working Tennesseans under CoverTN, offering participants two options with separate benefit packages.

Of the five proposals received, the contracts were awarded to the two plans, which received the two highest scores in a blind competitive bid process. Each plan offers low-cost health insurance to cover basic health services, with an emphasis on primary and preventative care.

"I am very pleased with the results here. These plans offer real value to working Tennesseans who lack access to health insurance," said Governor Phil Bredesen. "We bid this out in the private marketplace and allowed competition, creativity and market knowledge to design the benefit packages - and it worked beyond our expectations."

The state issued a list of required covered services and maximum co-payments to be included in CoverTN and challenged the insurance industry to design specific benefit packages. The state included strong prequalification requirements to allow only established companies with financial strength and management experience to participate.

Having separate contracts ensures a competitive environment that will drive creativity and market knowledge to benefit participants and the state. Five proposals were submitted by four companies: BlueCross BlueShield of Tennessee, United Healthcare, Aetna and Cigna.

Unlike other low-cost health insurance programs, CoverTN will not charge a high front end deductible. Instead, there are no deductibles and co-payments are capped to ensure immediate access to covered services. The program will cost

individuals between \$34 and \$99 per month. Premiums will vary depending on age, tobacco use and obesity and will be shared between the individual, the small employer and the state.

"We were extremely pleased with the response we received from the insurance industry, and their willingness to assume a financial stake in this effort," said Finance & Administration Commissioner Dave Goetz, whose department evaluated the proposals. "Their endorsement confirms our effort toward a sensible market-driven approach to provide affordable options to those who cannot afford to buy insurance today."

**"It's not often I get to talk about a
homerun...but this was a homerun!"**

-- Governor Phil Bredesen

Governor Bredesen outlined a voluntary, multi-pronged effort, called Cover Tennessee, in March of this year that will extend health insurance to uninsured individuals in Tennessee, with CoverTN as the centerpiece of the initiative.

Comprehensive coverage for children will be provided through CoverKids, and chronically ill adults will be covered through AccessTN, a high-risk pool. The Cover Tennessee effort includes a series of initiatives that target the growing prevalence of diabetes through ProjectDiabetes and focuses on improved lifestyle choices through GetFitTN. The General Assembly overwhelmingly approved the Cover Tennessee programs this summer.

The state expects to sign a three-year contract with each company by January 15, 2007, with enrollment to begin early next year. For more information about CoverTN or any of the Cover Tennessee programs, visit www.CoverTN.gov.



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CoverRx Launching January 1, 2007 Now Accepting Applications

On Monday, January 1, 2007, Tennessee's new pharmacy assistance program, CoverRx, will begin helping Tennesseans get affordable access to medications.

CoverRx offers affordable medications for eligible Tennesseans who have no drug coverage. The formulary includes approximately 250 medications for both chronic and episodic needs. The formulary is almost exclusively generic, but does include some brand name insulin and mental health drugs.

There are no premiums, but members will pay a small co-payment when a prescription is filled, which will vary based on income. The CoverRx program also offers discounts on drugs not on the CoverRx list. Members can fill prescriptions through retail or mail order pharmacies.

CoverRx was borne out of the successful pharmacy assistance program launched by Tennessee's Health Care Safety Net in the wake of TennCare reforms. The state contract with Rx Outreach to support Safety Net pharmacy assistance expires December 31, 2006, but other elements of Safety Net pharmacy assistance

Eligibility for CoverRx:

- Tennessee resident (6 months)
- US citizen or qualified legal alien
- Age 19 to 64
- Household income below 250% FPL
- Cannot have prescription drug coverage (including TennCare, Medicare or employer coverage)

will continue, including dispensing pharmacies at County Health Departments and at Federally Qualified Health Centers, and other non-profit programs expanding in conjunction with a Safety Net grant to Murfreesboro-based Dispensary of Hope.

Many other programs which are not affiliated with the state also provide free or low-cost drugs to qualified applicants. One source of information about these programs is www.pparxtn.org or 1-888-477-2669.

To get an application for CoverRx call 1-888-560-2649 or 1-866-COVERTN or go to the website at www.CoverTN.gov/Cover_Rx.html.

CoverRx Co-Pays: Sliding Scale Based on Income

Persons in Household	Below FPL	FPL to 149% FPL	150% FPL to 250% FPL
1	\$0 - \$9,799	\$ 9,800 - \$14,699	\$14,700 - \$24,500
2	\$0 - \$13,199	\$13,200 - \$19,799	\$19,800 - \$33,000
3	\$0 - \$16,599	\$16,600 - \$24,899	\$24,900 - \$41,500
4	\$0 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$50,000
5	\$0 - \$23,399	\$23,400 - \$35,099	\$35,100 - \$58,500
6	\$0 - \$26,799	\$26,800 - \$40,199	\$40,200 - \$67,000
7	\$0 - \$30,199	\$30,200 - \$45,299	\$45,300 - \$75,500
8	\$0 - \$33,599	\$33,600 - \$50,399	\$50,400 - \$84,000

Co-Pay Structure

Generics: 30 day supply	\$3	\$6	\$10
Generics: 90 day supply*	\$3	\$12	\$20
Brand/Insulin/Diabetic Supplies: 30 day supply or up to covered limit	\$5	\$10	\$15
All Others:	Lesser of Discount, MAC or U&C	Lesser of Discount, MAC or U&C	Lesser of Discount, MAC or U&C

For more information on Cover Tennessee,
call 1-866-COVERTN or log onto www.CoverTN.gov